



FY2024 WORK PLAN

Purpose: This annual work plan is being presented to the City Manager and stakeholders to identify and prioritize the engagements that the Office of Internal Audit (OIA) will conduct in FY2024.

Overview of the Office of Internal Audit

Staffing: OIA consists of three (3) professional staff members. Starting with 2,080 hours per employee and deducting holidays, leave, training, and administration time we assigned the remaining hours for audit operations in a table on Page 3.

Technology: In FY2023 - OIA upgraded the Thomson Reuters Clear system to include a batch review feature used to support an ongoing audit of the vendor file. OIA has deployed the Smartsheet system to better track audits and investigations as well as facilitate improved audit surveys and risk assessments. In FY2024 we will explore other audit support software.

IT Security: Because all City business operations are enabled in some way by information technology, IT security elements will be incorporated into all audit engagements. OIA coordinates closely with the Chief Information Security Officer.

Council Priorities and Environmental, Social, and Governance (ESG) Objectives: The City Council approved priorities on March 22, 2022. We have reviewed these priorities and determined that there are opportunities for audit linkage by coordinating with the newly established Office of Climate Action as well as the Race and Social Equity Officer. In FY2023 OIA included review of Small, Woman, Minority (SWAM) owned businesses in our Vendor File Audit which will be issued in FY2024. Additional opportunities will be explored to support these objectives in FY2024.

Outreach and Training: OIA maintains relationships with department heads, financial representatives, and various key City stakeholders. OIA supports the City by assisting with the development of management's fraud prevention training. In FY2023 OIA in coordination with the Department of Human Resources Learning and Development Team created a fraud prevention training course for supervisors as well as a shorter course for all employees. These training courses were deployed in conjunction with the [International Fraud Awareness Week](#) in November and [Internal Audit Awareness Month](#) in May. For FY2024 OIA will support management by working on more specific fraud, waste, and abuse training for key staff members. We will also participate in the New Employee Orientation training provided to all staff members.

Communications and Reporting: OIA informs the City Manager of developments through monthly meetings and provides additional notifications to key staff members during the financial representatives, IT Coordinators, and HR liaisons meetings. The City Audit Committee will receive a copies of our reports. Audit reports are also posted to the [external website](#). Engagements with internal control implications will have an executive summary posted or contain redactions.



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Proposed Work Plan

Doctrine: OIA utilizes a risk-based audit approach as required by the Institute of Internal Auditors (IIA) and the Government Accountability Office (GAO) Yellow Book. Risk is reviewed at both the organization-wide and engagement levels.

Priority of Work: In February 2022 the City Manager directed OIA to prioritize fraud prevention engagements as our top priority. OIA will utilize the [Managing the Business Risk of Fraud: A Practical Guide](#) promulgated by the IIA, ACFE, and COSO¹ as the basis for our efforts.

Risk Assessment: In May 2023, OIA issued a fraud risk assessment survey using the Smartsheet system to the financial representatives group. These individuals represent the primary subject matter experts in their department or division. The risk assessment survey served as a building block for the work plan.

Other Factors: In addition to the risk assessment, OIA looked at other factors to include the current operating environment, prior losses in specific areas, prior audit findings, and the professional judgement of OIA staff. Some engagements were selected based on our desire to achieve a deterrent effect even though they did not rate as high on our risk assessment. OIA will continue to include some inspections of cash collection and inventory sites in our FY2024 work plan to achieve this objective.

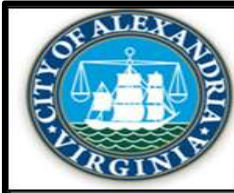
Audit Engagements: OIA conducts planned and ad hoc audits based on this work plan. OIA communicates with the City Manager on matters that could impact the work plan and makes adjustments on an as needed basis. Departments also communicate areas of risk which may require OIA to conduct agreed upon procedures audit work. OIA has allotted time for an emergency audit in our work plan to cover these contingencies. In addition to regular audit engagements several other tasks have been directed to be performed by OIA.

Federal and State Audits and Monitoring Visits: OIA is also responsible for monitoring City compliance with federal and state audits, reviews, and monitoring visits. Whenever a department is notified of an audit, review, or monitoring visit, they are required to notify OIA. OIA will support departments and ensure that any recommendations are closed. Federal and State audits, reviews, and monitoring visits are posted on our external website to promote transparency and serve as an accountability tool.

American Rescue Plan Act (ARPA): In FY2023 the City utilized the revenue replacement option authorized in the ARPA Final Rule. This decision greatly reduced the compliance risk associated with ARPA which must conform to the provisions of federal Uniform Grant Guidance (UGG). OIA will continue to support City Departments with programs and projects under the ARPA program until the ARPA program period ends.

Contracted Audits: OIA supports the Alexandria Sheriff's Office in their annual audit of the Canteen and Work Release programs. If other City departments need audit support OIA will arrange through our contingency audit support vendor, the terms of the engagement and coordinate any resulting field work, documentation collection and meetings.

¹ Institute of Internal Auditors (IIA), Association of Certified Fraud Examiners (ACFE), Committee of Sponsoring Organizations (COSO).



**City of Alexandria
Office of Internal Audit**

Your A-Team: Assist, Advise, & Assure

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Financial Statement Repository: OIA maintains a repository of financial statements which may impact City operations. OIA provides the City Manager a report which summarizes the status of the collected statements as well as other relevant trends observed.

Investigations and the Ethics and Fraud Hotline: OIA may be tasked to conduct various investigations as directed by the City Manager. OIA also officiates the Ethics and Fraud Hotline. OIA will investigate allegations of fraud, waste, and abuse which is reported to our office. Other allegations such as HR or discrimination reports require OIA to work with other agencies such as the Department of Human Resources or the Office of Human Rights. In all instances OIA will ensure that any allegations are reviewed by the appropriate organization and only closed with proper oversight from the City’s Report Review Committee.

Information and Guidance: OIA provides professional guidance on a myriad of internal control and financial policy related questions. In FY2023, OIA tracked a total of 83 issues of concern ranging from questions involving employee conflicts of interest to development of addition physical security measures after changes in the Code of Virginia. We will continue to support employees and departments in FY2024.

Proposed FY2024 Audit Engagements		
Engagement	Time Frame	Estimated Hours
Vendor Security Audit*	1 st & 2 nd Quarter	840
Petty Cash and Close Out Count of Treasury Division**	1 st Quarter	80
Financial Audit Dept. of Emergency Communications	1 st Quarter	180
City-wide Inventory Audit	2 nd Quarter	360
Unemployment Audit (Follow-up)	2 nd Quarter	180
Payroll Audit	3 rd Quarter	800
Audit of Employee Expenses *	3 rd & 4 th Quarter	400
Closeout Count Treasury Division	4 th Quarter	180
Contract Administration Audit	4 th Quarter	360
Financial Statement Repository/Contracted Audits*	4 th Quarter	100
Ethics and Fraud Hotline**	-	600
Federal and State Audits/ARPA Support***	-	250
Emergency Audit	As Needed	560
		4890
* Holdover audit from FY2023		
** OIA utilized an Intern to support this engagement which increased our efficiency		
*** Contracted audit typically supports Sheriff’s Office Canteen & Work Release Programs		
*** Federal and State Audit work has increased, and we are doubling the number of hours proposed to compensate for these engagements. Done on and as needed basis as reports are received.		

Comments: Please contact our office with any comments or concerns at internalaudit@alexandriava.gov